United Nations S/2004/340

Security Council

Distr.: General
30 April 2004

Original: English

Letter dated 19 April 2004 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

I write with reference to my letter of 28 January 2004 (S/2004/93). The Counter-Terrorism Committee has received the attached fourth report from Bulgaria submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex). I would be grateful if you could arrange for the present letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Inocencio F. **Arias**
Chairman
Security Council Committee established pursuant to
resolution 1373 (2001) concerning counter-terrorism

04-34486 (E) 170604

Annex

Note verbale dated 16 April 2004 from the Permanent Mission of Bulgaria to the United Nations addressed to the Chairman of the Counter-Terrorism Committee

The Permanent Mission of the Republic of Bulgaria to the United Nations presents its compliments to the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) and has the honour to transmit herewith a further supplementary report in compliance with paragraph 6 of resolution 1373 (2001) on the steps taken to implement that resolution (see enclosure). The report is submitted in response to the questions and comments of the Counter-Terrorism Committee contained in its letter dated 16 January 2004.

Enclosure

FOURTH REPORT

ON THE ACTIVITIES OF THE REPUBLIC OF BULGARIA TO COUNTERACT TERRORISM IN IMPLEMENTATION OF RESOLUTION 1373 (2001) OF THE UN SECURITY COUNCIL ON MEASURES THE UN MEMBER STATES NEED TO TAKE IN THE FIGHT AGAINST TERRORISM

Pursuant to paragraph 6 of Resolution 1373 (2001) and in response to the letter of the Chairman of the Counter-Terrorism Committee (S/AC.40/2004/MS/OC.372 dated 16 January 2004), the Government of the Republic of Bulgaria submits herewith the answers to the additional questions on the measures taken by the Republic of Bulgaria in implementation of Resolution 1373 (2001), put forward after the submission of its Third National Report.

1. Implementation measures

EFFECTIVENESS IN THE PROTECTION OF THE FINANCIAL SYSTEM

1.1 Effective implementation of sub paragraph 1 (a) of the Resolution requires States to have in place effective executive machinery for preventing and suppressing the financing of terrorist acts. In this context the CTC would like to know whether the Republic of Bulgaria provide its administrative, investigative, prosecutorial and judicial authorities with specific training aimed at enforcing its laws in relation to:

- **typologies and trends aimed at countering terrorist financing methods and techniques;**
- **techniques for tracing property, which represents the proceeds of crime or which is to be used to finance terrorism, with a view to ensuring that such property is frozen, seized or confiscated?**

Please outline relevant programs and/or courses. What mechanisms/programs has the Republic of Bulgaria put in place to train its different economic sectors in the detection of unusual and suspicious financial transactions related to terrorist activities and in the prevention of the movement of illicit money?

Laws to amend and supplement the Law on the Judicial System adopted in 2002 and 2003 provided for establishment of a National Institute of Justice, funded by the State Budget, where the initial training of new judges and prosecutors, as well as continuing education of magistrates is taking place. The National Institute of Justice was created on the basis and using the experience of the Magistrates' Training Center, and has been functioning since 1 January 2004. It is planned, within the qualification programs for 2004, to deliver training in the new anti-terrorist legislation, including Amendments to the Penal Code of 2002, which introduced special provisions criminalizing the financing of terrorism and provisions on seizure of funds for financing of terrorism, as well as confiscation of the entire property or a part thereof of the perpetrators of terrorist offences and of the persons financing their activities.

Since April 2003, the Financial Intelligence Agency (FIA) has been implementing a twinning project with participation of experts from Spain. The project is titled "Combating Money Laundering" and aims at strengthening the administrative capacity of the FIA and improving interaction with other institutions and agencies working on protection of the financial system by applying measures against money laundering and financing of terrorism. As planned under the project, a number of working meetings, seminars and discussions were held with the participation of employees of the specialized agencies under the Ministry of Interior (MoI), the Ministry of Justice, the Supreme Cassation Prosecution Office (SCPO), the General Tax Directorate (GTD), the National Customs Agency (NCA), the Financial Supervision Commission (FSC), the Special Supervision Directorate of Bulgarian National Bank (BNB), and the State Commission on Gambling (SCG). Similar seminars and meetings have also been organized for members of the private sector (persons under obligation to report under Article 3 of the Law on Measures against Money Laundering (LMML)).

Since April 2002, an intra-governmental task force is holding weekly working meetings at FIA. The task force handles cases concerning major financial crimes, including financing of terrorism, and recommends relevant countering methods and measures. Members of this task force are: officers of the FIA; representatives of all operating services in MoI; the NCA; the GTD; the Special Supervision Directorate of BNB; legal experts of the United States Department of the Treasury and Secret Service agents.

In 2003, the Director of the FIA lectured at two fora organized by the George C. Marshall European Center for Security Studies in Garmisch Partenkirchen, Germany: one held in March 2003, "The New War – 21st Century Conflict"; the second in July 2003, "Economic War on Terrorism – Money Laundering and Financing of Terrorism." The FIA Director also lectured at a Euro-Atlantic Partnership Council conference "Combating Money Laundering" in Geneva in November 2003.

FIA, together with BNB, FSC, and SCG, coordinates a specific training program for employees under the LMML in typologies, trends, and techniques for suppression of the financing of terrorism.

1.2 As regard the suppression of the financing of terrorism as required by sub-paragraph 1 (a) of the Resolution, the CTC would appreciate learning whether the Financial Intelligence Agency of the Republic of Bulgaria has sufficient resources (human, financial and technical) to enable it to carry out its mandate. Please provide appropriate data in support of your response.

The FIA has a staff of 34 employees, including the Director. The Agency has 35 computers, with ten employees working in the Financial Analyses Department. Each of them holds a Master's Degree in Economics or Law. The Bulgarian Law on Measures against Money Laundering was amended in early 2003 in order to be harmonized with international law (*State Gazette* No. 31/4 April 2003).

Furthermore, specialized sectors countering international terrorism and money laundering are available and active within the National Service for Combating Organized Crime (NSCOC). These sectors actively cooperate with FIA on the basis of Joint Instruction, signed by the Minister of Finance and the Minister of Interior pursuant to Article 10, Paragraph (4) of the LMML. NSCOC's specialized units are competent to cooperate with counterpart agencies of other countries and international organizations in combating financing of terrorism. To this end, they exchange data and information on suspected persons, and conduct coordinated activities for checking and clarifying alerts and tips received from different sources, including such of more sensitive nature.

1.3 Sub-paragraph 1 (a) of the Resolution as well as Article 18 of the International Convention for the Suppression of the Financing of Terrorism require financial institutions and other intermediaries to identify their clients and to report suspicious financial transactions to the relevant authorities. In this regard would the Republic of Bulgaria please provide the CTC with the number of suspicious transactions reports (STRs) received by its Financial Intelligence Agency, the number of STRs analyzed and disseminated, as well as the number of STRs which have led to investigations, prosecutions or convictions.

The new Article 4 of the LMML states: "Persons covered under Article 3, Paragraphs 2 and 3 shall identify customers thereof upon establishing long-term business relationships, including upon opening a bank account or a securities account, as well as when performing effective operations or transactions, where the value or its foreign exchange equivalent exceeds BGN 30,000, and the persons covered under Article 3, Paragraph (2), Item 1 - also upon cash operations in Bulgarian levs (BGN), or foreign currency exceeding the value of BGN 10,000. Paragraph (1) shall furthermore apply to cases of more than one operation or transaction, where the value of each operation or transaction does not exceed BGN 30,000 or its foreign exchange equivalent, respectively BGN 10,000 or its foreign exchange equivalent, but there is evidence that the said operations or transactions are related."

In order to enforce the above Article, a new ***system for electronic transaction reporting and analysis*** has been developed, which is to be operative by the end of the first quarter of 2004. Persons covered under Article 3, Paragraphs (2) and (3) of the LMML will submit information to FIA, pursuant to Article 11 of the LMML, on

monthly basis not later than the 15th day of each month following the month to which the information applies, on a paper-based or magnetic data medium using a special standard form indicated in Appendix 2 to the Rules for Application of the LMML. The new system will facilitate processing and will enable analysts to operate according to international standards and work flow in their analysis of financial transactions.

Suspicious transactions are reported under the procedure of Article 11 of the LMML (obligation to report upon suspicion of money laundering), respectively, Article 9 of the Law on Measures against Financing of Terrorism (LMFT) (obligation to report upon suspicion of financing of terrorism). In 2003:
- FIA received 275 suspicious transaction reports, which resulted in the opening of 236 operational case files. The FIA submitted 238 alerts to the SCPO, the National Investigation Service (NIS), or to the specialized services of the MoI;
- NIS initiated 16 investigative proceedings, of which 3 were completed in 2003, and 13 were pending;
- Prosecuting Magistracy filed 3 indictments, on one of which a judgment of acquittal was delivered.

Prosecutorial activities in relation to crimes of money laundering (Article 253 of the Penal Code) and other similar or related crimes were carried out in two areas:
1. Alerts by the Financial Intelligence Agency of the Ministry of Finance (MF).
2. Alerts by the International Legal Assistance Sector of the SCPO following data about involvement of Bulgarian citizens in money laundering, obtained through requests for legal assistance (letters rogatory) from abroad.

In terms of organization, by order of the prosecutorial governing body, the following actions were taken:
1. All FIA alerts are referred to the SCPO, where they are filed in a separate book.
2. At the SCPO, designated prosecutor's work on these case files, exercising constant control in clarifying the circumstances pointed out in the alerts.
3. The clarification of the circumstances in the alerts is then assigned to the competent District Prosecution Offices.
4. Information on the progress of inquiries is required from the District Prosecution Offices by certain deadlines.
5. Copies of prosecutors' rulings on the case files are sent to the FIA in view of their possible appeal.
6. An audit was conducted of the SCPO case files opened on FIA alerts. The audit found a good organization of work and timely assignment of inquiries to the District Prosecution Offices.

The FIA alerts received by the SCPO break down by year as follows:
1998 – no alerts received.
1999 – no alerts received.
2000 – 4 alerts received, filed in SCPO's classified material incoming log.
2001 – 37 alerts received, filed in SCPO's classified material incoming log.
2002 – 181 alerts received, filed in a special SCPO book for materials classified as "restricted."
2003 – 100 alerts received, filed in a special SCPO book for materials classified as "restricted."

All FIA alerts received by SCPO resulted in opening case files, 100 files have been sent to the competent District Prosecution Offices:
- On 67 case files, the inquiries are still in progress;
- On 21 case files, the inquiries have been completed with a decree refusing to institute pre-trial proceedings;
- On 12 files, pre-trial proceedings have been instituted.

In 2003, a total of 40 pre-trial proceedings have been instituted on FIA alerts received before and throughout 2003. None of the alerts contained evidence of financing of terrorist activity.

1.4. Please explain the rules for identifying persons or entities:

- **Which maintain a bank account;**
- **Or on whose behalf a bank account is maintained (i.e. beneficial owners);**
- **Who are the beneficiaries of transactions conducted by professional intermediaries; as well as**
- **Any person or entity connected with a financial transaction.**

The requirement for banks to identify their clients is set on a regulatory level (Law on Measures against Financing of Terrorism (promulgated in the *State Gazette* No. 16/2003), Law on Measures against Money Laundering (promulgated in the *State Gazette* No. 85/1998), BNB Regulation No. 3 on Non-cash Payments and the National Payment System (promulgated in the *State Gazette* No. 75/2002). Where feasible, each bank complements the regulatory minimum requirements for identifying its clients in its internal regulations, including rules for control and prevention of money laundering and financing of terrorism, approved by the Financial Intelligence Agency.

The common practice of banks in this regard is as follows:

1. When a natural person opens an account in her/his own name, the natural person files an application for opening of an account, presenting an official identity document (of the types comprehensively listed in the Law on Bulgarian Identity Documents (promulgated in the *State Gazette* No. 93/1998).

When a natural person wishes to open an account in favor of a third party (natural person), apart from presenting an official identity document, the natural person also presents a notarized letter of authorization, empowering him/her to open the account in favor of a third party.

2. In order to open a bank account for a legal entity, an application for opening of an account must be filed, enclosing the following documents:

- Specimens of the signatures of the persons authorized to dispose of the assets on the account. The regulation requires such persons to sign their names in the presence of an authorized bank officer, or their signatures to be notarized;

- Copy of the authorization of the persons who have the right to dispose of the assets on the account, bearing the said persons' notarized signatures;

- Court registration certificate of the legal entity;

- Memorandum or Articles of Association of the legal entity opening the account;

- Registration certificate under the BULSTAT Unified Register;

- Tax registration certificate;

- In cases when the activities of the legal entity opening the account are subject to licensing or registration, a copy of the relevant license or registration must be submitted too;

- When an application for opening an account of non-resident's representative office is filed, the certificate of registration of the representative office at Bulgarian Chamber of Commerce and Industry has to be presented; the non-resident's representative applying for the account has to identify him/herself to the bank through Identity Document and Power of Attorney sealed by notary;

- When a non-resident legal entity files application for opening of account, it must certify to the bank its legal status, name, domicile/ registered office, address of the management, object and purpose of its activities, the persons managing and representing this non-resident entity – producing official documents, issued by the relevant competent authority, translated and authenticated.

The account opening procedure requires copying the relevant documents (within the range listed above), which apply to the person whose account is being opened.

The Bank Clients' Identification includes also declaration about the origin of the funds which are object of the current operation or transaction in cases when the value of the transaction exceeds BGN 30,000 (approx. EUR 15,000), or when currency exceeding BGN 10,000 (approx. EUR 5,000) is exchanged, or when the operation/transaction ordered or the client of the bank have raised suspicions for money laundering or for financing of terrorism.

If the identification of the prospective client of the bank is impossible, including non-submission of declaration about the origin of the funds, the bank must refuse to perform the operation/transaction.

Recipients of non-cash payments are identified by specifying in the payment order the name (corporate name) of the payee and the number of the bank account that has to be credited. Declaration for the grounds for the transfer/payment to the payee is mandatory. When international transfers and payments exceed the value of BGN 25,000 (EUR 12,500), apart from specifying the grounds for the payment, the banks must require also relevant documentary proof for the declared purpose of the payment (Regulation No. 3 of Bulgarian National Bank on Non-cash Payments and National Payment System, promulgated in *State Gazette* No. 75/2002, and Regulation No. 28 of the Bulgarian National Bank on Information Collected by Banks about International Transfers and Payments, promulgated in *State Gazette* No. 111/1999).

Regarding identification of bank clients qualifying as trust funds, we would like to inform, as follows:

The trust fund form is not regulated by Bulgarian law. Investment intermediaries carry out under Bulgarian legislation activities similar to those of trust funds and, acting by the nature of their trade, they manage clients' individual portfolios of securities and/or money, excluding portfolios of investment companies and pension funds, and also hold clients' securities and money in a depositary institution (so-called custodial activity) to the extent that they have the right to offer to the public the so-called investment contracts, under which investors offer funds without taking part in their management – for income only, in the most general sense.

According the Bulgarian law investment intermediaries can only be persons who have obtained authorization for this type of activity from the Financial Supervision Commission, under the procedures of the Law on Public Offering of Securities, promulgated in *State Gazette* No. 114/1999. Most of the investment intermediaries, operating on the territory of the Republic of Bulgaria, are banks. With regard to these specifics of the activity of investment intermediaries, when acting as bank clients, they are identified in accordance with the requirements described above, on the basis of listed documents, including after presentation of the license (authorization) for investment intermediary activities, obtained from the Financial Supervision Commission.

Are there any identification obligation imposed on customers, who operate trust funds, to obtain information concerning the trustees, settlers/grantors and/or beneficiaries? Please also outline the procedures that are in place to afford the enforcement agencies of foreign States, or other counter terrorist entities, the opportunity to obtain and use this information in cases where terrorism is suspected.

Trust funds as such are not admissible and subsequently are not operative under Bulgarian law.

1.5 With regard to the reference of the Republic of Bulgaria in the first report (at page 6) to the elaboration of a system of criteria for identifying, and reporting financial operations of non-profit organizations aimed at diverting legitimate funds for financing of terrorist activities, the CTC would appreciate receiving a progress report on the outcomes of this work. In this regard please indicate whether the Republic of Bulgaria has ever taken judicial action against a non-profit organizations on account of their suspected involvement in the financing of terrorism? Has the Republic of Bulgaria ever frozen the assets of any non-profit organizations because of their alleged or suspected links with terrorist groups or terrorist activities? The CTC would also welcome receiving examples of cases in which the sanctions against those organizations were applied. Are there procedures in place to respond to requests from other Governments to investigate particular organizations, suspected of being linked to terrorism?

At this point, no cases have been detected where non-profit organizations have been suspected of being linked to terrorist groups and organizations, so there are no frozen assets of such organizations.

Procedures have been developed and implemented to check and respond to enquiries from other governments concerning investigations in connection with suspicions of links of non-profit organizations to terrorism.

1.6 The CTC notes from the first report of the Republic of Bulgaria (at page 5) that financial assets or economic resources of persons who commit, or attempt to commit terrorist acts, or participate in, or facilitate the commission of terrorist acts; of entities owned or controlled directly or indirectly by such persons; and of persons and entities acting on behalf of, or at the direction of such persons and entities may be frozen, in accordance with Article 185 of the Code of the Criminal Procedure (CCP). The CTC also notes from the Articles 8 and 11 of Law on the Measures against Financing of Terrorism that transactions involving the provision of funds, financial assets and other property of listed persons can be suspended by the Minister of the Interior of the Republic of Bulgaria for a maximum period of 45 working days. Please, outline does the Bulgarian legal provision permit further freezing of assets of foreign terrorist organizations regardless of any criminal investigation or prosecution of those. In this context, please, outline procedures to proscribe a foreign terrorist organization as well as to freeze, seize, and confiscate its assets. In this regard, please, provide data on the number of foreign terrorist organizations, which the Republic of Bulgaria has proscribed. How long does it take to proscribe a terrorist organization on the request of another State?

In the Republic of Bulgaria, the effective legislation related to suppression of the financing of terrorism consists of the following acts:

- Penal Code;
- Code of Criminal Procedure;
- Law on Measures against Financing of Terrorism;
- Council of Ministers Decision No. 265 dated 23 April 2003 adopting a List of Natural Persons, Legal Entities, Groups, and Organizations Subjected to the Measures under the Law on Measures against Financing of Terrorism.

The List of Natural Persons, Legal Entities, Groups, and Organizations Subject to the Measures under the Law on Measures against Financing of Terrorism includes the persons and organizations on the Consolidated List of Committee 1267 of the UN Security Council, as well as the persons and organizations included in the European Union's List, Annex to EU Council Common Position 2003/906/CFSP of 22 December 2003.

No presence or activities of persons and organizations on these lists, or of other persons and organizations not included in the said lists have been detected so far within the territory of the Republic of Bulgaria.

In 2003, the FIA received 17 enquiries on persons and organizations included in the lists under President Bush's Executive Order No. 13224, on which joint checks with the BNB were conducted. The checks found no evidence of persons and organizations on the said lists having operated within the territory of the Republic of Bulgaria.

On 27 February 2004 the Council of Ministers approved a draft Law on Forfeiture of Criminal Assets. The draft law has been laid before the National Assembly. Another Decision of the Council of Ministers, which is to be adopted shortly, will amend Council of Ministers Decision No. 265/2003 to update the list according to the Consolidated List version current at 27 February 2004.

1.7 As regards the implementation of sub-paragraphs 1 (a) and (c) of the Resolution, as well as Article 8 of the International Convention for the Suppression of the Financing of Terrorism, the CTC would be grateful if the Republic of Bulgaria could describe the principal procedures incorporated in its legal system in relation to the confiscation of assets or the operation of some other deprivation mechanism. Please describe how the procedures operate in practice, indicating, inter alia, the authorities responsible for their implementation. Can the Republic of Bulgaria confiscate the proceeds of a crime without first obtaining the conviction of the perpetrator (i.e. in rem confiscation)? If not, is the introduction of such a system envisaged? The CTC would also welcome an account of any appellate provisions allowing for the review of the decision taken by any such authority or agency. Please indicate the financial magnitude of the assets frozen, seized or confiscated in regard to the prevention of financing of terrorism. Do Bulgarian laws allow some or all confiscated property to be used to satisfy claims for damages brought by a person who claims to have suffered injuries as a result of the commission of an offence? Please describe how the Republic of Bulgaria deals, in its laws and procedures,

with requests from foreign states for international legal assistance in relation to confiscation measures arising out of terrorist offences.

The Bulgarian Penal Code differentiates between confiscation of existing property, which is a penal sanction included in the system of punishments (Articles 44-46 of the Penal Code), and forfeiture to the Exchequer, which is done regardless of criminal liability (Article 53 of the Penal Code). In cases of terrorism and financing of terrorism, the Penal Code specifically provides for both confiscation and forfeiture to the State.

Confiscation is compulsory appropriation without compensation to the Exchequer of property belonging to the sentenced person or of a portion of such property, of certain properties of the sentenced person, or of portions of such properties (Article 44 of the Penal Code). In the case of confiscation, the Exchequer is liable to the extent of the value of the confiscated property for reparation of the loss or injury caused by the crime, and afterwards also for the liabilities of the sentenced person which have arisen prior to the commencement of the criminal prosecution, when the person's residual existing property is not sufficient for reparation of the loss or injury, and for payment of the liabilities (Article 46 of the Penal Code). Under Article 114, Paragraph (2) of the Penal Code, for crimes under Article 108a (terrorism and financing of terrorism) and 109 (forming, leading and participating in a terrorist group) of the Penal Code, the Court may order confiscation of the entire property of the sentenced person, or a portion of the said property.

By virtue of Article 53, Paragraph (1) of the Penal Code, regardless of criminal liability, the following are subjected to forfeiture to the Exchequer: (a) the things which belong to the sentenced person and were meant, or have served, for perpetration of a premeditated crime; and (b) the things which belong to the sentenced person and have been the subject of a premeditated crime, when this is expressly provided for in the Special Part of the Penal Code. Forfeiture to the Exchequer also applies to: (a) the things which are subject or instrument of the crime, whose possession is prohibited; and (b) the proceeds of the crime, unless subjected to restitution or restoration, and when the proceeds are missing or have been alienated, their equal value is awarded /Article 53, Paragraph (2) of the Penal Code/. Article 108a, Paragraph (3) of the Penal Code expressly prescribes that the subject of the crime under Paragraph (2) (financing of terrorism) is to be forfeited to the Exchequer and, if it is missing or has been alienated, its equivalent value is awarded.

In the Section "Legal Assistance in Criminal Matters" of the Code of Criminal Procedure (Articles 461-466), the seizure and delivery of objects used for perpetration of the crime, or the proceeds of the crime, are expressly indicated as actions within the scope of legal assistance that can be provided to another State under the terms of an international treaty, or on the basis of reciprocity (Article 461 of the Code of Criminal Procedure). Requests for legal assistance are handled under the procedure, provided for by the Bulgarian law. The request can also be handled under the procedure, provided for by the law of the other country, if the latter has been so requested, and if it does not conflict with the Bulgarian law (Article 465 of the Code of Criminal Procedure).

EFFECTIVENESS OF COUNTER-TERRORISM MACHINERY

1.8 Effective implementation of 1373-related legislation covering all aspects of the Resolution requires States to have in place effective and coordinated executive machinery as well as to create and utilize adequate national and international antiterrorist strategies. In this regard the CTC would appreciate it to know whether the Integrated Counter-Terrorism Strategy and/or the Plan of Detecting and Preventing Terrorist Activities in the territory of the Republic of Bulgaria deal with the following forms or aspects of counter-terrorist activity:

- **Criminal investigation and prosecution;**
- **Counter-terrorist intelligence (human and technical);**
- **Special forces operations;**
- **Physical protection of potential terrorist targets;**
- **Strategic analysis and forecasting of emerging threats;**
- **Analyses of efficiency of anti-terrorist legislation and relevant amendments;**

- **Border and immigration control, control preventing the trafficking in drugs, arms, biological and chemical weapons, their precursors and the illicit use of radioactive materials.**

If possible, would the Republic of Bulgaria please outline correspondent legal provisions, administrative procedures and best practices in this regard?

Under the measures envisaged in the National Strategy for Countering Crime, infiltration of risk-category persons is intensified. When necessary and in accordance with the legal procedure, the requisite technical means are used.

The potential threat of terrorist acts is periodically analyzed and additional measures are planned to prevent any such acts, commensurate with the threat.

At this point, the Bulgarian laws include sufficient legal standards to ensure efficient combating of terrorism.

Bulgaria's specific geographical location presupposes a potential risk of it being used as a transit and supply point by persons and groups with a terrorist ideology. The Bulgarian State therefore makes a tremendous effort to prevent the movement of terrorists or terrorist groups through efficient border control, control over the issuance of identity and travel documents, and through measures for the prevention of forging, falsification, or wrongful use of identity and travel documents. Control over the "green" and the "blue" borders have been tightened as well.

Under Bulgarian law, **all persons** (Bulgarian citizens and foreigners) passing through a border checkpoint are subject to **100%** border passport control and check (in real time) in the automated data banks, including the information system of the Visa Center of the Ministry of Foreign Affairs. **100%** control is also conducted of the motor vehicles passing through the border checkpoints.

The Border Control Automated Information System (BCAIS) registers the entries into and exits from the Republic of Bulgaria of all Bulgarian and foreign citizens, the documents used by them, as well as the means of transport by which they travel.

Based on situation analysis related to international terrorism or to threat alerts already received, specific measures are taken, including:

1. Periodic analysis and assessment of the operative situation in the areas of the potential target installations.

2. Strengthening the exchange of information between the MoI services regarding persons suspected of terrorist activity.

3. Strengthening of the physical security of potential target installations for various periods of time.

4. Widening of the security and surveillance perimeter around the protected installations.

5. Intensifying surveillance of persons with suspicious behavior passing around the installations.

6. Plans for interaction with the national and territorial MoI services have been approved and are being updated.

7. There is an ongoing process of providing additional equipment for the Specialized Tactical Rapid Response Units, their training, and work on secondary legislation regulating their operation.

The Bulgarian laws in the areas of security, export control, non-proliferation of weapons of mass destruction and regional security comply with the international standards and the EU requirements. Lawmakers steadily strive to improve the regulatory framework. The **Law on Control of Foreign Trade in Arms and Dual-Use Goods and Technologies**, as well as the Rules for its Application, were thoroughly revised in December 2002.

In 2002 new versions of the **Law on Prohibition of Chemical Weapons and on Control of Toxic Chemicals and their Precursors** and the **Law on the Use of Atomic Energy for Peaceful Purposes** were enacted. In 2003, in accordance with the EU requirements, revisions were introduced also in the **Law on Control of Explosives, Firearms and Ammunition.**

The regulatory framework defining Bulgarian security policy in **border control** is set by the Law on the Ministry of Interior. Article 95, Para (1), Item 5 prescribes: "Border Police authorities carry out inspections for arms, explosives, and other dangerous weapons of persons and vehicles upon crossing the international border line and in civil aviation flights." The system of security measures in civil aviation conforms to the standards and recommendations of Annex 17 (ICAO). In this connection, the MoI leadership has endorsed "Action Plan of the Civil Aviation Security Council in case of emergency caused by unlawful interference in the CA activities in Bulgaria".

1.9 The CTC would be grateful if the Republic of Bulgaria could please provide it with information regarding its counter terrorist efforts including, inter alia, an outline of any targeted programs; a list of agencies involved, and a description of any mechanism aimed at ensuring inter agency coordination in relation to the various areas specified in paragraphs 2 and 3 of the Resolution. The CTC is particularly interested in the following areas:

- **recruitment to terrorist groups;**

- **tracing links between criminal activity (in particular, drug trafficking) and terrorism;**

- **denying the establishment of terrorist safe havens and any other forms of passive or active support for terrorists or terrorist groups. This last category includes but is not restricted to: logistical support for terrorists (including the use of computer technology), "apologia" for terrorism and incitement to terrorism, maintenance of contacts with and between terrorist organizations, terrorist groups and individual terrorists; provision by any means for terrorists or terrorist groups with the access to CBN materials.**

The UNSC Consolidated List of Persons and Organizations Associated with International Terrorism is strictly and promptly followed in a well organized manner, while the respective National List of the Republic of Bulgaria under Article 5 of the Law on Measures against Financing of Terrorism is periodically updated. The National Program for Countering International Terrorism within the Territory of the Republic of Bulgaria of the National Service "Security", together with the introduced further specific measures for enhanced coordination between all specialized services involved in the issue, is well implemented and includes comprehensively developed measures to ensure countering of all risk categories and options, listed in the question above.

The amendments and supplements of 2002 to the Penal Code, promulgated in *State Gazette* No. 92/2002, led to the inclusion of a new chapter "Computer Crimes", which contains a judicial framework of provisions to deter acts against the security, integrity and proper functioning of computer systems and computer information data.

The same revision of the Penal Code introduced a special provision /Article 320, Paragraph (2) of the Penal Code/ on punishment for clear incitement to commit a crime /terrorism, under Article 108, Paragraph (1)/ by preaching before a multitude of people, by dissemination of printed publications, or by other similar methods. The sanction, provided for clear incitement to terrorism, is deprivation of liberty for a maximum period of six years, which means that the Bulgarian criminal law treats this crime as grave.

Article 320 (a) of the Penal Code criminalized in 2002 also the threat to perpetrate a crime /under Article 108, Paragraph 1 (terrorism)/.

1.10 Effective implementation of sub-paragraph 2 (e) of the Resolution requires each Member State, inter alia, to have in place effective police, intelligence and/or other structures as well as adequate legal provisions to

detect, monitor and apprehend those involved in terrorist activities and those supporting terrorist activities with a view to ensuring that those persons are brought to justice. In this context please indicate which special investigative techniques can be used in the Republic of Bulgaria in cases of terrorism (e.g. interception of communications; electronic surveillance; observation; undercover operations; controlled delivery; "pseudo-purchases" or other "pseudo-offences"; anonymous informants; cross-border pursuits, the electronic bugging of private or public premises, etc.). Please explain the legal conditions that govern their use. Please specify whether they may only be applied to suspects and whether a court must first sanction their use. Please also specify the period of time for which they may be used. Could the Republic of Bulgaria also indicate whether these special investigative techniques can be used in cooperation with another State?

The use of **special intelligence means (SIM)** is regulated by the CCP and the Law on Special Intelligence Means. SIM include sound and video recordings, telecommunication interception, tracing, marking of objects. Under Article 111, Paragraph 2 of the CCP, for certain grave premeditated crimes (such as terrorism, financing of terrorism and participation in a terrorist group) admissible as physical evidence are also cinematographic recordings, video recordings, sound recordings, computer data records, photographs and marked objects. To detect these crimes, providers of computer information services are obliged to cooperate with court and pre-trial proceeding authorities in the collection and recording of computer data by applying special technical means (Article 111, Paragraph 3 of CCP).

Authorization to use special intelligence means is granted by the District Court President, or by a Vice-President specially nominated by the District Court President (Article 111a, Paragraph 1 of CCP). The validity of the authorization to use SIM cannot be longer than two months (Article 111b, Paragraph 3 of CCP) but, if necessary, it can be extended by another four months under the procedures of Article 111a of CCP and Article 111b, Paragraph 4 of CCP.

Operational techniques, which do not include special intelligence means, are used against persons/organizations suspected of terrorist activity in order to clarify the nature of their deeds. These techniques require administrative, not judicial, authorization and control. If there is shared interest, joint projects with partner services can be put into effect.

The Law on the Ministry of Interior and the Law on Customs allow for carrying out **controlled deliveries.** The Law on the Ministry of Interior does not contain specific provisions about the type of goods subjected to controlled deliveries or "quasi-purchases." As a rule, falling in this category are narcotic substances, precursors, counterfeit currency and non-cash payment instruments, small arms and light weapons, explosives, ammunition, cash. In connection with the forthcoming ratification of the Second Additional Protocol to the European Convention on Mutual Assistance in Criminal Matters, the Government approved in December 2003 a draft law amending and supplementing the CCP. The legal assistance section of this draft creates the option of execution of requests for legal assistance in carrying out controlled deliveries. At this point, controlled deliveries and controlled purchases are used efficiently in order to take further action for apprehending suspects with physical evidence and to start pre-trial proceedings.

The use of **anonymous informants** is regulated by the Law on the Ministry of Interior and is a key method for infiltration, used by the security services and the police services. Informants do not appear as witnesses in criminal proceedings. They are operational instruments of the police, and no court authorization is required for them to be used.

If there is an international treaty (bilateral, multilateral, or universal), to which Bulgaria is party, the MoI services enforcing the Law on the Ministry of Interior can initiate the use of SIM and informants for the purposes of check-ups and coordinated operational activities with foreign partner special services. Information obtained through SIM and informants is classified and transfers are allowed only if bilateral agreements on classified information exist, or under procedures envisaged in multilateral treaties (e.g. NATO membership).

All other operational techniques involving SIM are subject to court authorization and control.

1.11 With a view to bringing terrorists and their supporters to justice, please indicate whether the Republic of Bulgaria has taken any measures to protect vulnerable targets in terrorist cases, for example, to protect victims, witnesses or other persons assisting the court, judges, and prosecutors. Please describe the legal and administrative provisions which the Republic of Bulgaria has put in place to ensure this protection. Could the Republic of Bulgaria please outline whether these measures can be utilized in cooperation with or at the request of another State?

Witness protection is regulated by the Code of Criminal Procedure. Under Article 97a of the CCP, witness protection is implemented by not disclosing the identity of witnesses and/or by providing physical security.

Under the Law on the Judicial System (Article 36d), security of judicial system buildings and judges, prosecutors, investigators and witnesses is provided by a specialized security unit of the Ministry of Justice.

The drafting procedure of a new special Law on the Protection of the Participants in Criminal Proceedings started recently.

1.12 The CTC notes from the first report of the Republic of Bulgaria (at page 7) that the recruitment of members of terrorist groups is punishable as preparation for or facilitation of a respective terrorist act. It is to be noted in this regard that recruitment may be carried out by deception, for example by a representation that the putative purpose of recruitment is one (e.g. teaching) different from its true purpose. So current legal provisions in Bulgarian Criminal Code would not appear adequately to address the requirements of this paragraph. In this regard the CTC would appreciate receiving an indication of the steps which the Republic of Bulgaria intends taking in order to incorporate this aspect of the Resolution into its domestic law.

The conclusion in this paragraph of the CTC letter is inaccurate. It is true that recruitment of members of terrorist groups is punishable as preparation for terrorism (under Article 110 of the Penal Code, preparation for terrorism may be punished by deprivation of liberty for a maximum of six years, i.e. it is a grave crime), complicity in the perpetration of terrorism (accomplices aiding and abetting are liable to the penal sanction provided for the perpetration of the crime itself, Article 21 of the Penal Code), or formation of terrorist group under Article 109, Paragraph 1 (this crime is punishable by deprivation of liberty up to 12 years). In all these cases, the concealed by "deception" criminal activity (e.g. terrorist recruitment presented as "teaching") cannot block or frustrate the criminal prosecution.

1.13 In the context of the effective implementation of sub-paragraph 2 (e) could the Republic of Bulgaria please provide the CTC with information relating to the number of persons prosecuted for:

- **terrorist activities;**
- **the financing of terrorist activities;**
- **recruiting to terrorist organizations;**
- **providing support to terrorists or terrorist organizations.**

How many of these have been prosecuted for inviting support (including recruitment) for:

- **proscribed organizations; and**
- **other terrorist groups or organizations?**

Court statistics on terrorist crimes are kept since the beginning of 2003. In 2003 there were no court proceedings for crimes under Article 108a (terrorism).

1.14 In regard to the effective implementation of Article 5 of the International Convention for the Suppression of the Financing of Terrorism please indicate whether the Republic of Bulgaria has undertaken measures to establish the civil, criminal, or administrative liability of legal persons for criminal offences, in particular offences related to terrorist activities? Is it possible to assign liability to a legal person, in a case where no natural person has been identified or convicted? In this regard could the Republic of Bulgaria provide the

CTC with statistics on the number of cases where sanctions, for the provision of support to terrorists or terrorist organizations, were imposed on:

- **Non-profit organizations;**
- **Financial and non-financial institutions;**
- **Other financial intermediaries.**

A strategy (concept) on the introduction of administrative liability of legal entities for crimes committed by their employees was prepared and adopted in 2003. Within the framework of the administrative justice reform a draft Code of Administrative Procedure is to be developed by the end of 2004, and it will include relevant legislative proposals in connection with the liability of legal entities for crimes, including crimes related to terrorism.

In 2003 the Constitution of the Republic of Bulgaria was amended regarding the judicial immunity. Now the magistrates possess only the so-called functional immunity that, if certain criteria are met, may be lifted by the Supreme Judicial Council. In case of culpable dereliction of her or his duties in the process of a criminal prosecution, a judicial officer incurs criminal liability under Article 288 of the Penal Code, which provides for a penal sanction of deprivation of liberty for a maximum period of six years.

EFFECTIVENESS OF CUSTOMS, IMMIGRATION AND BORDER CONTROLS

1.15 Effective implementation of sub paragraphs 2 (c) and (g) of the Resolution requires effective customs, immigration and border controls to prevent the movement of terrorists and the establishment of safe havens. The CTC would be grateful for information as to whether the Republic of Bulgaria has established a procedure for supplying advance information concerning international cargo to its own authorities as well as to those of other States with a view to screening for prohibited cargo before disembarkation.

Under Article 14 of the Law on Control of Foreign Trade in Arms and Dual-Use Goods and Technologies (LCFTADUGT), persons engaged in foreign trade and/or brokering in arms and in goods and technologies subjected to control under this Law, are under the obligation to:

1. Keep a separate registry of the transactions concluded under this Law, and preserve the commercial and transportation documents and the information related to the execution of the foreign trade transaction for a period of not less than ten years.

2. Observe the terms and conditions under which this activity has been licensed, and immediately notify in writing the controlling authorities of any change in the said terms and conditions;

3. Indicate the name, position and address of the representatives of the other party in the deal/transaction, and of the end-user in charge of the fulfillment of the obligations to the transaction, and immediately notify of any replacement of the said representatives;

4. Inform the competent government bodies should a probability or doubts exist that the goods and technologies with potential dual-use, which are the subject of their foreign trade activities, may be used inappropriately in the manner provided for in Article 13.

Under Article 15, Paragraph 1 of the LCFTADUGT, importers and exporters of arms are under the obligation to incorporate a provision in the foreign commercial contract binding the buyer that the purchased arms will not be transferred to third natural persons or legal entities without the explicit consent of the Bulgarian Inter-agency Commission.

As to whether the Republic of Bulgaria has established a procedure for supplying advance information concerning international cargo to its own authorities as well as to those of other States with a view to screening for prohibited cargo before disembarkation, legal regulation has not been introduced yet in this sphere. Nevertheless, on the basis of

memoranda of understanding signed with representatives of the trade sector, the customs authorities receive advance information on cargo arriving in Sofia Airport, or departing from Sofia Airport.

1.16 The CTC notes from the first report (at page 1.4) that "for the purpose of preventing crimes involving document fraud, tens of security features have been built in the new Bulgarian identity documents". In this regard please outline Bulgarian legal and administrative provisions regarding the issuance and use of national passports, in particular those, which prevent:

- **Obtaining a passport by deception, using falsified, stolen or genuine documents not one's own (identity theft);**

Legal provisions concerning terms and procedure for the issuance, use, and keeping of Bulgarian identity documents are contained in the Law on Bulgarian Identity Documents (LBID) and the Rules for Issuance of Bulgarian Identity Documents.

The Penal Code criminalizes the drawing up, altering of the contents, concealing, and use of official documents (what Bulgarian passports definitely are) – Articles 308, 310, 310, 316, and 318 of the Penal Code, punishable by deprivation of liberty for a maximum period of five years.

Issuance of the new Bulgarian identity documents began in 1999 and has been carried out in full accordance with the international requirements, including the International Civil Aviation Organization (ICAO) recommendations for machine-readable passports, the ISO (International Organization for Standardization) standards, and the EU decisions on uniform passport forms.

Since 1999, 206 attempts to falsify Bulgarian passports have been recorded. The most frequent mode of passport falsification is the replacement of the photograph with which the passport has been issued. Since the citizens of the Republic of Bulgaria can travel freely within the EU countries, Bulgarian identity documents are of interest mainly to persons whose countries are on the Schengen negative list, or whose nationals are required to hold visas. Precisely such persons have falsified Bulgarian passports. The passports in question have been lost by or stolen from Bulgarian citizens, and the MoI authorities have been duly notified by submission of a declaration under Article 17 of the Rules for Issuance of Bulgarian Identity Documents. In pursuance of Article 49, Paragraph 1, Item 2 of LBID such passports are declared invalid in the Bulgarian Identity Documents Information System. Under the law these documents are irregular and cannot be used.

When a foreigner is detected as a user of a falsified or forged Bulgarian passport, a coercive administrative measure is imposed against him/her – prohibition on entry into the Republic of Bulgaria for a period of 10 years under Article 42a in reference to Article 10, Paragraph 1, Item 2 or 7 of the Law on Foreigners in the Republic of Bulgaria (LFRB). Upon receiving information from Bulgarian diplomatic missions and consular posts abroad that a Bulgarian citizen has stayed in a certain country on a falsified or forged passport, coercive administrative measures are taken against him/her – refusal of issuance and withdrawal of passports and substituting documents for a period of two years in pursuance of Article 76, Item 5 or Item 6 of LBID.

The instances of attempts by Bulgarian citizens to falsify passports are rare and isolated. Usually these are persons under effective sentence passed by Bulgarian court. After the information is received, any such passport is cancelled by perforation and is declared invalid in the BID Automated Information System, and a coercive administrative measure is imposed on the person – refusal of issuance, and withdrawal of already issued passports and substituting documents until his/her rehabilitation, usually three years.

When a person has made a false statement of particulars, facts and circumstances in an application for issuance of a passport, or in a declaration under Article 17 of the Rules for Issuance of BID, a coercive administrative measure is

imposed on the person – refusal of issuance and withdrawal of already issued passports and substituting documents for a period of one year under Article 76, Item 4 of LBID.

Articles 80 and 81 of the LBID contain Administrative Penalty Provisions for measures taken against persons, who:
- Use forged or another person's identity documents;
- Accept as a pledge or cede a Bulgarian identity document;
- Lose, damage or destroy Bulgarian identity documents;
- Use invalid Bulgarian identity documents.

The sanction under Articles 80 and 81 of the LBID is a fine.

MoI experts are working at present on the introduction of new security features in order to further minimize the attempts to falsify Bulgarian passports in accordance with the EU requirements.

❑ **The theft and completion of a genuine blank passport document, and**

From 1999 to the present moment no case has been documented of theft or use of a blank Bulgarian passport document, subsequently completed with arbitrary particulars. This is mainly due to:

- the technology for passport issuance, which has a high level of security;
- the strict control exercised over blank passport documents.

The blank passport movement is controlled at every phase of manufacture – from personalization to handing the document to the holder. Discarded blanks are destroyed under strict control and accountability.

❑ **Malfeasance of passport authority employees in the issuance of passports?**

The employees in the passport offices issuing identity documents are informed about their criminal liability in allowing thefts of blank passport documents, or malfeasance in the issuance of false identity documents. After the start of the campaign for replacement of the previous ID and the issuance of the new and secure identity and travel documents (1999), three cases have been detected of malfeasance by Bulgarian passport office employees, two of which have resulted in court proceedings. In the third case the criminal prosecution has been abandoned because of lack of evidence for the commitment of a crime.

1.17 In regard to preventing the movement of terrorists please outline legal and administrative procedures developed by the Republic of Bulgaria to protect the port facility and ships, persons, cargo, cargo transport units, off-shore installations and ship's stores from the risks of terrorist attacks. Please outline any procedures adopted in the Republic of Bulgaria for controlling access to the ship; monitoring restricted areas to ensure that only authorized persons have access; supervising the handling of cargo and ship's stores. Have Bulgarian competent authorities put procedures in place for the periodic review of transport security plans with a view to keeping them up-to-date? If yes, please outline.

In accordance with Articles 94 and 95, Paragraph 1, Items 4 and 10 of the Law on the Ministry of Interior and the Law on Maritime Space, Inland Waterways and Ports of the Republic of Bulgaria (LMSIWPRB), the National Border Police Service (NBPS) performs its functions in the international ports, the internal coastal waters (ICW), the territorial sea (TS), the contiguous zone (CZ), and the exclusive economic zone (EEZ).

In the course of accomplishment of its duties within the internal coastal waters and the territorial sea, NBPS ships are empowered to stop, inspect or detain any foreign non-military vessel that violates the national sea borders and the border regime in the territorial sea, with a view to avert illicit trafficking of human beings, arms, narcotic, nuclear, toxic or other hazardous substances.

In order to exercise the said control, NBPS ships conduct specialized inspections – preventive or on alerts – of Bulgarian and foreign non-military vessels suspected of criminal activity, traversing Bulgarian territorial sea, in public transport ports, fishery ports, yachting ports, and water sports bases on the Bulgarian Black Sea coast.

Pursuant to Article 17 of the UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances and Article 27, Item 1 (d) of the UN Convention on the Law of the Sea, a procedure has been introduced for access to suspicious vessels and accomplishment of the said specialized inspections on board, in compliance with the International Law of the Sea and the Law on Maritime Space, Inland Waterways and Ports of the Republic of Bulgaria (LMSIWPRB).

Article 24 and Article 30, Paragraph 1 of the LMSIWPRB establish the procedure for passage and stay within the territorial sea of foreign vessels fitted with nuclear-powered equipment and vessels carrying nuclear, radioactive, explosive, toxic or other hazardous substances, as well as the powers of the NBPS (MoI) to exercise control and impose relevant coercive measures.

A law to amend and supplement the Law on Maritime Space, Inland Waterways and Ports of the Republic of Bulgaria, passed by the National Assembly, has created legal grounds to draft a regulation on the security of ships and ports. The said regulation will introduce the requirements of the International Convention for the Safety of Life at Sea (SOLAS) and in particular its complementary International Ship and Port Facility Security Code (ISPS). The regulation is to be issued jointly by the Minister of Foreign Affairs, the Minister of Finance, and the Minister of Transport and Communications.

The work on the establishment of Virtual Traffic Information Management System (VTIMS) facilities on the Bulgarian Black Sea Coast is going on. The system's management and communication center will be compatible for the administrations of the Ministry of Transport and Communication (MoTC), Ministry of Interior (MoI) and Ministry of Defense (MoD). The Management and Coordination Center in the MoTC headquarters, which will ensure the MoTC's interaction with all agencies involved in combating terrorism.

Existing agreements between the coast guards/border authorities of Bulgaria and the other Black Sea countries provide for exchange of information on the movement of ships suspected of illicit traffic of human beings, narcotics and precursors, arms and ammunition, radioactive, chemical and biological substances. A Black Sea Border Coordination and Information Center was founded in the Bourgas Regional Border Sector for the purposes of exchange of information, which includes all available data on any such ships. The Center operates round-the-clock to coordinate all patrol craft activities and radio-electronic surveillance within the entire Black Sea area.

Joint exercises are carried out for the border patrol craft units of the Black Sea countries - for detection, escorting, stopping and specialized inspections on board of suspicious ships.

Specialized courses for the crews of the Bulgarian Border Police ships and inspection units are held at the Bourgas Regional Border Sector, applying the US Coast Guard standards and best practices.

The NBPS is ready to put in place an early identification procedure for suspicious vessels after the forthcoming introduction of the new automated information system for vessel identification and the upgrade of the technical surveillance equipment of patrol craft and coastal radar stations.

The Border Police Precincts (BPP) provide the physical security of the ports. To this end, a new security system for the port facilities, warehouses and sites was put in place. Traffic routes and basic points for the police patrols were established. The BPP and the port administration have identified the most sensitive points of the controlled area and have developed joint action plans to prevent eventual unlawful activities or perpetration of terrorist acts.

1.18 With the reference of the Republic of Bulgaria at the first report (at page 9) to a system of security measures in the civil aviation corresponding the standards and recommendations of Annex 17 of the Convention of the International Civil Aviation Organization, could the Republic of Bulgaria please inform the CTC whether ICAO has conducted safety audits of its international airports.

ICAO performed an audit of Sofia Airport from 10th to 19th February 2003. The airport complies with the ICAO requirements.

Audits of Varna and Bourgas Airports are planned for 2004. In this regard, the Civil Aviation Administration (MoTC) has marked a number of measures to improve the security system and the organization of work of the security units that provide protection and safety for the passengers at these international airports. Under the executive directors of the airports are operating special airport security councils (SASCs), which include all airport security and safety-related unit chiefs, the heads of regional branches of the specialized national services of the Ministry of Interior (Border Police, Security, Fire and Emergency, Combating Organized Crime), the Customs, as well as the airlines security officers. In connection with the increased risk of eventual terrorist activities at Sofia and Varna airports, a specialized firm was hired for preliminary/parallel passport control and interviewing of suspicious persons. Work is in progress on building new technological facilities for perimeter security of the airports and for visual control over areas, sensitive to terrorist and other attacks.

EFFECTIVENESS OF CONTROLS PREVENTING ACCESS TO WEAPONS BY TERRORISTS

1.19 Sub-paragraph 2 (a) of the Resolution requires each Member State, inter alia, to have in place an appropriate mechanism to deny access to weapons to terrorists. With regard to this requirement of the Resolution as well as to the provisions of the Convention on the Marking of Plastic Explosives for the purpose of Detection and the International Convention for the Suppression of Terrorist Bombings please provide the CTC with information relevant to the following questions:

A) Legislation, regulations, administrative procedures:

The legislative framework includes:

- Law on Ratification of the Convention on the Marking of Plastic Explosives for the Purpose of Detection, adopted on 28 January 1999, promulgated in the *State Gazette* No. 10/5 February 1999.
- International Convention for the Suppression of Terrorist Bombing, ratified by law adopted on 13 November 2001 (ratification promulgated in the *State Gazette* No. 102/27 November 2001). The Convention is promulgated in *State Gazette* No. 36/9 April 2002 and is in force for Bulgaria since 14 March 2002.
- Penal Code, promulgated in the *State Gazette* No. 26/2 April 1968, effective 1 May 1968, last amended and supplemented in *State Gazette* No. 92/27 September 2002.
- Law on Control of Explosives, Firearms and Ammunition (LCEFA), promulgated in the *State Gazette* No. 133/11 November 1998, amended and supplemented in *State Gazette* No. 85/17 October. 2000, effective 17 October 2000, *State Gazette* No. 99/22 October 2002, No. 71/12 August 2003, effective 12 August 2003.
- Law on Control of Foreign Trade in Arms and Dual-Use Goods and Technologies (LCFTADUGT), promulgated in the *State Gazette* No. 102/21 November 1995, effective 21 January 1996, amended and supplemented in *State Gazette* No. 75/2 August 2002, effective 3 September 2002.
- Rules for Application of the Law on Control of Foreign Trade in Arms and Dual-Use Goods and Technologies. Adopted by Council of Ministers Decree No. 274 dated 29 November 2002, promulgated in the *State Gazette* No. 115/10 December 2002, amended in *State Gazette* No. 97/4 November 2003 and *State Gazette* No. 11/10 February 2004.

- Rules for Application of the Law on Control of Explosives, Firearms and Ammunition. Adopted by Council of Ministers Decree No. 169 dated 25 August 1999, promulgated in the *State Gazette* No. 78/3 September 1999, effective 3 September 1999, amended in *State Gazette* No. 58/29 June 2001, effective 29 June 2001, *State Gazette* No. 1/4 January 2002, effective 4 January 2002, *State Gazette* No. 115/19 December 2002, amended and supplemented in *State Gazette* No. 24/14 March 2003, *State Gazette* No. 111/22 December 2003 and *State Gazette* No. 12/13 February 2004.

The following activities related to production, transfer, and possession of arms constitute criminal offences under the Penal Code:

- Foreign trade in arms and in dual-use goods and technologies without relevant authorization (Article 233);

- Aggravated smuggling/cross-border carriage of potent or toxic substances, explosives, arms, ammunition, nuclear material, nuclear facilities or other sources of ionizing radiation without the knowledge and the permission of the Customs /Article 242, Paragraph 1(d)/;

- Production, processing, repair, development, storage, trade, carriage, importation and exportation of explosives, firearms, chemical, biological, or nuclear weapons, or ammunition without authorization, or not in accordance with the granted authorization (Article 337);

- Acquisition, possession, unauthorized transfer of explosives, firearms, chemical, biological, or nuclear weapons or ammunition (Article 339).

- **What national measures exist to prevent the manufacture, stockpiling, transfer and possession of unmarked or inadequately marked:**

  - **firearms, their parts and components and ammunition;**
  - **plastic explosives;**
  - **other explosives and their precursors.**

The Law on Control of Explosives, Firearms and Ammunition (LCEFA) contains a set of measures for effective control over the handling of explosives, firearms, and ammunition, which include their production, storage, transfer and possession in relation to natural persons and legal entities, as well as merchants within the meaning given in the Bulgarian Law of Commerce.

The LCEFA does not apply to the MoI and the Armed Forces of the Republic of Bulgaria.

Article 2 of the LCEFA prescribes that with the handling of other dangerous weapons, which may cause injuries similar to the injury caused by explosives, firearms, and ammunition, should be also regulated by a law.

Activities regulated under LCEFA are conducted on the basis of a **license** issued by the MoI. The license is issued for a specific period of time and for specific activities to the respective person (the transfer of a license or rights to another person renders this license invalid). The Law allows the Council of Ministers to restrict or prohibit the handling of specific explosives, firearms, and ammunition, on the basis of already taken international commitments, or when the latter corresponds to the public interest. **The MoI keeps a unified automated registry on the handling of any such materials**, and the information contained in the registry can be used to exercise control, and to prevent or detect criminal offences.

Control over handling is exercised by the Minister of Interior, or persons authorized by him/her. Apart from the preventive control, the MoI exercises current and follow-up control over the handling of explosives, firearms, and ammunition, which include:

- carrying out inspections of explosives, firearms and ammunition, together with the accompanying documentation;

- access to premises where explosives, firearms and ammunition are stored;
- access to the information necessary for the effective control;
- right to approach the prosecution authorities if there is reason to believe that a criminal offence has been committed;
- right to issue mandatory prescriptions related to the safe storage, carrying, and use of explosives, firearms, and ammunition according to statutorily established security measures;
- checks for the regularity of the registry kept by the MoI.

The Law defines in details the scope of entities allowed to perform such activities, and poses additional requirements to the latter:

- **Explosives, firearms, and ammunition can be produced and traded in solely and exclusively by merchants within the meaning given in the Law of Commerce.** Their obligations include maintaining specialized accounting for each item, produced and sold, and to take the statutorily established security measures for production and storage with armed security guards. Merchants whose entire commercial activity - or a part thereof - consists of production, trade, exchange, lease, repair or alteration of firearms were obliged by the revisions of the law of 2002 to keep a registry containing individualized particulars of the arms, the suppliers and the persons that acquire arms. Under the law, upon termination of his/her commercial activity, the merchant must deliver the registry to the MoI.
- **Any transportation** of explosives, firearms, and ammunition is carried out after permission granted by the MoI, but when the transportation is for commercial purposes, escort by armed security guards is required.
- **Acquisition, storage, carrying and use** of explosives, firearms and ammunition is permitted to natural persons and legal entities, but only for specific purposes: protection, self- protection, industrial, hunting and sporting purposes.

B) Export control:

Article 97, Paragraph 1, Item 3 of the Law on the Ministry of Interior states: "...in performing tasks under Section I, the Border Police Authorities have the power to exercise passport and visa control upon persons, and inspection of goods and vehicles passing through the border checkpoints." The latter defines the requirement for close cooperation with the Customs Administration Authorities on export control in respect of goods and technologies passing through border checkpoints.

Priorities in exercising export control are:

1. Non-proliferation of nuclear weapons.
2. Non-proliferation of chemical weapons.
3. Non-proliferation of biological weapons.
4. Non-proliferation of missile technologies.

Bulgaria has ratified the Treaty on the Non-proliferation of Nuclear Weapons (the Nuclear Suppliers Group), the Wassenaar Arrangement (WA), is a member of the Australian Group (AG), and has ratified the Chemical Weapons Convention (CWC), the Biological Weapons Convention (BWC), the UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. It applies for membership in the Missile Technology Control Regime (MTCR).

- Please specify procedures of export control and existing mechanism of exchange of information of sources, route and methods of traders in arms?

Export control is exercised on the basis of the Law on Control of Foreign Trade in Arms and Dual-Use Goods and Technologies, and the Rules for its Application, by applying measures specified in **Item D.**

- **Is it necessary to lodge and register or check of the Goods declaration and supporting documents relating to firearms prior to the import, export or transit movement of the goods as well as encourage importers, exporters or third parties to provide information to Customs prior to their shipment? Please outline also any appropriate mechanism to verify the authenticity of licensing or authorization documents for the import, export or transit movements of firearms?**

The Law on Control of Foreign Trade in Arms and Dual-Use Goods and Technologies proscribes that documents for a given foreign trade transaction in arms (license, permission for the specific transaction, international import certificate, export licenses, end user certificate) should be issued in several copies and must be handed both to the client/applicant and to the competent authorities (National Customs Agency, MoI, Ministry of Foreign Affairs, MoD). Also, separate registries of the issued end-user certificates and international import certificates are kept, while specimens of the signatures of persons authorized to sign these documents have to be deposited with the competent national institutions.

- **Has Bulgarian Custom Service implemented intelligence-based risk management on borders to identify high-risk goods? Please outline data elements required by Customs Administrations to identify high-risk consignment prior to shipment;**

In November 2003 was established Customs Intelligence and Investigation on Narcotics, Arms and Precursors Department within the Central Customs Directorate of the National Customs Agency. One of its main activities is obtaining and analyzing intelligence information related to identifying operations in high-risk commodities, as well as information on actual detection of illicit traffic of such goods. The information obtained and analyzed is submitted to the border customs offices in the country.

Under Article 17, Paragraph 1 of the Law on Control of Foreign Trade in Arms and Dual-Use Goods and Technologies and Article 79 of the Rules for its Application, Customs authorities are one of the controlling authorities in exercising control over each foreign trade transaction in high-risk goods on the List of Arms and Dual-Use Goods and Technologies under Article 1, Paragraph 3 of this law. Customs authorities require presentation of a license for this type of activity, issued by the Inter-ministerial Council on Issues of the Military-Industrial Complex and National Mobilization Preparedness with the Council of Ministers. Each particular foreign trade operation in such goods requires authorization granted by the Inter-agency Commission for Export Control and Non-proliferation of Weapons of Mass Destruction with the Minister of Economy. Under Section III of the Rules for Application of the Law on Customs, Customs authorities exercise customs control over the importation, exportation and transit of the above goods, which comprises inspection of the documentation accompanying the goods, inspection of the goods, and taking samples for analysis and control.

- **Has the Republic of Bulgaria implemented, using risk assessment principles, any special security measures on the import, export and transit movement of firearms, such as conducting security checks on the temporary storage, warehouses and means of transport carrying firearms, and requiring persons involved in these operations to undergo security vetting? If yes, please give details.**

The Law on Control of Foreign Trade in Arms and Dual-Use Goods and Technologies empowers the controlling authorities - Inter-ministerial Council on Issues of the Military-Industrial Complex and National Mobilization preparedness, Inter-agency Commission for Export Control and Non-proliferation of Weapons of Mass Destruction, MoI, Ministry of Economy (MoE), National Customs Agency: to visit the zones under customs control on the territory of Bulgaria under the terms and procedure of effective Bulgarian legislation; to require persons trading in arms to submit the relevant information for the purposes of control; to approach for opinion require, if necessary, other government bodies; to submit requests for information addressed to authorities of other countries.

territory of Bulgaria under the terms and procedure of effective Bulgarian legislation; to require persons trading in arms to submit the relevant information for the purposes of control; to approach for opinion require, if necessary, other government bodies; to submit requests for information addressed to authorities of other countries.
The Rules for Application of the Law on Control of Foreign Trade in Arms and Dual-Use Goods and Technologies contain as a mandatory condition for obtaining a license for foreign trade in arms the submission of List of the natural persons directly involved in the said activity, including biographies and personnel references, conviction status certificates and specimen of their signatures, approved by the national security authorities.

The Border Police, in accordance with the National Plan of MoI, immediately informs the competent authorities about the licit passage of explosives, arms, and dual-use goods and technologies through border checkpoints. Radiometric inspection is carried out on all iron materials entering from Macedonia to prevent import of metals contaminated with Cobalt-60.

The NBPS makes a monthly assessment of the movement of risk cargoes and establishes contact with similar services of neighboring countries regarding the movement of such goods and cargoes.

In addition to the general rules for safe carriage of dangerous goods, and the requirements of the Law on Control of Foreign Trade in Arms and Dual-Use Goods and Technologies, the following requirements are effective in civil aviation:

1. Special procedure for handling requests for flights carrying cargoes of arms, and keeping the relevant accompanying documentation.

2. Additional security measures for such cargoes in the airport areas.

3. Selection and training of employees involved in planning, organization and execution of such flights.

C) Brokering:

- Do your laws require disclosure on import and export licenses or authorization, or accomplishing documents, of names and locations of brokers involved in the transaction?

Under the Law on Control of Foreign Trade in Arms and Dual-Use Goods and Technologies, **brokering** related to foreign trade transactions in arms and in dual-use goods and technologies is carried out on the basis of a **license** issued by the Inter-ministerial Council on Issues of the Military-Industrial Complex and National Mobilization Preparedness with the Council of Ministers for a specified period of time and a specified scope of goods. Upon request by the Inter-agency Commission for Export Control and Non-proliferation of Weapons of Mass Destruction with the Minister of Economy, brokers are obliged to submit information regarding the employees responsible for the given transaction and information about the end-user.

- Do legal provisions in place provide for share the relevant information with, foreign counterparts to enable cooperation in preventing illegal shipments of firearms, their parts and components and ammunition as well as explosives and their precursors?

Under the terms of the LCFTADUGT and the Rules for its Application, the controlling authorities are allowed to exchange information and to cooperate directly within their competences with authorities in other countries, international organizations and export control regimes pursuant to international agreements.

The Republic of Bulgaria actively cooperates with other states and organizations to prevent illicit trade in arms, arms parts and components, ammunition, explosives, and their precursors on the basis of joint commitments under the Wassenaar Arrangement, the Australian Group, the Nuclear Suppliers Group, the Zangger Committee, and fully applies the criteria of the Missile Technology Control Regime.

D) Law enforcement / illegal trafficking:

- **What special measures are used by the Republic of Bulgaria to prevent and suppress illegal trafficking in firearms, ammunitions, and explosives, utilized by terrorists?**

The Law on Control of Foreign Trade in Arms and Dual-Use Goods and Technologies provides for a number of measures for effective control over foreign trade in arms and dual-use goods and technologies. **Firstly,** the Council of Ministers has the power to introduce restrictions and to impose bans on foreign trade in arms and dual-use goods and technologies in specific cases, when:

- The activity is prejudicial to national security, economic and foreign policy interests of Bulgaria, to the strengthening of international peace and security, and the honoring of the international commitments of the Republic of Bulgaria.
- The goods and technologies are intended or may be used for the design, production, processing, development, maintenance, storage and proliferation of weapons of mass destruction.
- There are limitations:
  - imposed by the UN Security Council;
  - arising from the participation of the Republic of Bulgaria in international treaties or organizations, as well as in international export control regimes;
  - arising from the accession of the Republic of Bulgaria to acts, joint actions, and common positions of the EU;
  - arising from accession to decisions of international organizations and export control regimes of which the Republic of Bulgaria is not a full member;
  - when the arms, dual-use goods or technologies are intended for a State within whose territory military operations are being conducted, or which is party to a military conflict.

Secondly, the Council of Ministers also adopts and updates:

A List of States and Organizations in respect of which Bulgaria imposes prohibition or restrictions on the sale and supplies of armaments and related equipment, pursuant to UN Security Council Resolutions and decisions of the European Union and the Organization for Security and Cooperation in Europe (*State Gazette* No. 22/2003).

- List of Arms and Potential Dual-Use Goods and Technologies.

Thirdly. in order to conduct foreign trade in arms or dual-use goods and technologies, the Law requires a **license** for this activity, issued by the Inter-ministerial Council for specific period and specific scope of goods, which cannot be transferred to third parties. The license is granted only to reliable and economically stable applicants but may be revoked by the Inter-ministerial Council, if:

- circumstances have arisen, prejudicial to national security, economic and foreign policy interests of the country, to the strengthening of international peace and security, and the honoring of international commitments of the Republic of Bulgaria;
- breach or non-compliance with terms and conditions of the license;
- non-compliance with legal obligation, when the violation is confirmed by relevant act of competent state authority;
- revelation of untrue particulars presented by the licensee, when these particulars have been taken into account at the time of issuance of the license;
- when the licensee no longer meets the requirements for granting a license.

Transportation of arms from and to the territory of the Republic of Bulgaria, as well as from and to territories of third countries, is effected by carriers registered under the Commerce Law on the basis of a license issued by the Inter-ministerial Council. Transit transportation of arms through the territory of the Republic of Bulgaria is effected on the basis of an authorization for transit transportation, granted by the Inter-agency Commission for each particular case.

The Law empowers the Council of Ministers, in exceptional cases, should the national security, the protection of foreign-policy interest or the honoring of international commitments assumed by the Republic of Bulgaria be jeopardized, to ban the carrying out of import, export, re-export or transit transportation of arms and dual-use goods and technologies, regardless of the issued license and permit.

Along with that, execution of each particular transaction in arms or in dual-use goods and technologies requires authorization, which is granted by the Inter-agency Commission.

To certify the end use and the end user, the Law requires exporters of arms or dual-use goods and technologies to provide the Inter-agency Commission with the original of an End User/End Use Certificate and/or International Import Certificate, issued by the competent authorities of the end-user country. The Certificate submitted may be verified through diplomatic channels care of the embassies of the Republic of Bulgaria abroad, in order to confirm the issuance of the document. As an additional requirement, exporters must submit a Delivery Confirmation Certificate within three months after delivery. At this phase of control, "physical" verifications of delivery in the end user country are also applied. Exporters are also under an obligation to include a clause in the contract, binding the buyer not to transfer the arms purchased to other natural persons or legal entities without the express consent of the Bulgarian controlling authorities (the Inter-agency Commission).

Persons conducting foreign trade in arms or in dual-use goods and technologies, and Bulgarian residents engaged in brokering, are under an obligation to keep a registry of transactions executed, and to present it to the controlling authorities upon request. Also, the Law requires persons to preserve the commercial and transportation documents and information pertaining to the execution of the foreign trade transactions for a period of not less than ten years.

Furthermore, operational measures are taken to strengthen control over enterprises producing or using explosives, in order to prevent their illegal export and use.

1.20 With the reference of the Republic of Bulgaria in its first report (at page 12) to a draft-law to amend and supplement the Law of Foreign Trade in Arms and Dual Use Goods and Technologies the CTC would appreciate providing a progress report of enactment of this draft law as well as an outline of its provision which prevent the supply of weapons to terrorists. In this regard could the Republic of Bulgaria indicate the agencies which deal with the enforcement of its laws relating to the manufacture, sale, acquisition, storage, import, export and transport of arms, ammunition and explosives? Could the Republic of Bulgaria please outline its mechanism and procedures in regard to the implementation of legal prohibitions in relation to controls imposed on the exportation of goods, the transfer of technologies, the provision of technical assistance overseas and activities connected with trade in controlled goods, with particular regard to preventing terrorists from gaining access to weapons. The CTC would appreciate it if the Republic of Bulgaria could provide it with statistics on the use of legal provisions to prevent terrorists from gaining access to weapons.

The law amending the LFTADUGT was promulgated in the *State Gazette* No. 75/2002. The revisions cover the following aspects:

inclusion of provisions facilitating the application on national level of the principles and criteria contained in UN Security Council resolutions, EU regulations and decisions, Wassenaar Arrangement and other international control and non-proliferation regimes;

- clearer and more precise definition of the rights and obligations of the state bodies, the commercial firms and the natural persons for the purposes of the effective control over the deals/transactions;

- inclusion of additional provisions aimed at more reliable identification and certification of the end user;

- introduction of dramatically severer sanctions against potential violators;

- introduction of control over brokering, which is treated for the first time as part of foreign trade. The latter presumes registration and licensing of the persons engaged in brokering in arms and in dual-use goods and technologies;

- relaxation of the import regime for potential dual-use goods and technologies, waiving the requirement for licensing of importers;

- specific exemption from the scope of control of the law for arms, equipment, materiel and facilities of Bulgarian and foreign military and police contingents: during their stay, or passage through the territory of the Republic of Bulgaria, in compliance with commitments of Bulgaria arising from international treaties and membership in international organizations; participation in peacekeeping operations; participation in international military exercises within or outside the territory of Bulgaria; and humanitarian, environmental, demonstrative and sport missions of peaceful nature;

- the existing Commission for Control and Authorization of Foreign Trade Transactions in Arms and Dual Use Goods and Technologies is to be transformed into Inter-agency Commission for Export Control and Non-proliferation of Weapons of Mass Destruction under the Ministry of Economy which would assume the functions of national authority under the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction.

Regarding prevention of terrorists' access to arms within the context of export control, the law (LFTADUGT) imposes strict requirements to be met by entities wishing to conduct foreign trade in arms and dual-use goods and technologies. Only trade companies registered under the Law on Commerce, which meet the reliability requirements for foreign trade in arms and are economically stable, may perform such activity. Brokering related to foreign trade transactions in arms may be carried out by natural persons and legal entities that are duly licensed for such activity by the Inter-ministerial Council, that meet the reliability requirements for foreign trade in arms, and are economically stable. The license is personal and non-transferable.

Under the above law a commercial company is considered reliable for performing foreign trade in arms, if:

- It has established the necessary organization for storage of weapons in compliance with the relevant legal requirements;
- It has established the necessary organization to protect classified information in compliance with the relevant legal requirements;
- The relevant security authorities have approved its list of natural persons directly involved in foreign trade in arms;
- Its manager and the members of the governing and controlling bodies, or natural person (persons), are not under effective sentence for criminal offence against the public law;
- Its manager and the members of the governing and controlling bodies, or natural person (persons), directly involved in foreign trade in arms, would not pose a threat to national security, economic and foreign policy interests of the Republic of Bulgaria, the strengthening of international peace and security, and the honoring of international commitments of Bulgaria.

These circumstances are verified with documents issued by the relevant authorities.

A commercial company is considered economically stable for performing foreign trade in arms, if:

- it has not been declared bankrupt, or no bankruptcy proceedings are instituted against it;

- no termination of activity, or declaration of liquidation, is recorded;

- it has no liquid, or executable public liabilities, obligations to social security funds, as well as liabilities to natural persons or legal entities in cases when the liability has been acknowledged before the enforced execution authority, or when it is established through a court order put into effect, by a notarized document, or by a promissory note.

A new decree of the Council of Ministers is under preparation, intended to update the List of Arms and Potential Dual-Use Goods and Technologies under Article 1, Paragraph 3 of the Law on Control of Foreign Trade in Arms and Dual-Use Goods and Technologies, where:

- the arms section of the list is updated according to the decisions of the Ninth Plenary Meeting of the Wassenaar Arrangement, Vienna, 10-12 December 2003;
- the potential dual-use goods and technologies section of the list is harmonized with Council Regulation No. 149/2003 of EU. (*Changes adopted by the Wassenaar Arrangement in the List of Dual-Use Goods and Technologies will be incorporated in 2004 in the EU publication on dual-use goods and technologies).*
-

Larger licensed companies have appointed officials responsible for the compliance with the statutory requirements for export control.

The Ministry of Economy (MoE) intends to intensify its dialogue with the licensed companies by organizing seminars for their staff. The MoE provides lecturers for the on-going training program for customs officers on export control.

Agencies in charge of law enforcement related to manufacture, sale, acquisition, storage, import, export and transportation of weapons, ammunition and explosives

The Inter-ministerial Council on Issues of the Military-Industrial Complex and National Mobilization Preparedness with the Council of Ministers develops the principles and implements the national policy in the production of, and the trade in arms and military equipment. The Inter-ministerial Council has the following export control functions in the trade in arms and dual-use goods and technologies:

- prepares draft legislation regarding the national policy in the field of trade in arms and dual-use goods and technologies;
- coordinates and controls the marketing and pricing policy in the trade in arms and dual-use goods and technologies;
- issues licenses for performing foreign trade in arms and in dual-use goods and technologies in the cases, when such goods and technologies are exported;
- issues licenses for transportation of arms;
- keeps a registry of the persons licensed for foreign trade in arms and in dual-use goods and technologies, and for transportation of arms;
- examines the reports of the Inter-agency Commission for Export Control and Non-proliferation of Weapons of Mass Destruction with the Minister of Economy about all applications for permission for import, export, and re-export, including all authorized, deferred, or refused applications for foreign trade transactions in arms and dual-use goods and technologies. On the basis of the submitted reports and documents the Inter-ministerial Council takes the final decision on issues raised by members of this council, or of the commission, in connection with specific transactions in arms and dual-use goods and technologies;
- jointly with the Inter-agency Commission, submits Annual report to the Council of Ministers on the implementation of the Law on Control of Foreign Trade in Arms and Dual-Use Goods and Technologies;

- approves nominations for members of the managing and controlling bodies of wholly state-owned commercial companies involved in production and trade in arms;

- makes proposals to the Council of Ministers for restructuring of commercial companies involved in production and trade in arms;

- issues licenses for brokering related to foreign trade transactions in arms and dual-use goods and technologies.

The Inter-ministerial Council includes Chairman, Deputy Chairman, Secretary, and members. Chairman is the Deputy Prime Minister and Minister of Economy, and Deputy Chairman is the Minister of Defense. Secretary of the Inter-ministerial Council is an expert in the Political Office of the Prime Minister who is responsible for the current control on the implementation of the decisions of the Council.

Permanent members of the Inter-ministerial Council are:

Deputy Minister of Economy;

Deputy Minister of Defense;

Deputy Minister of Finance;

Deputy Minister of Foreign Affairs;

Deputy Minister of Interior;

Deputy Minister of Transport and Communications;

Deputy Minister of Regional Development and Public Works;

Deputy Chief of General Staff of the Bulgarian Armed Forces;

The Chairman of the State Agency for Contingency Reserves and Wartime stocks;

The Director of the National Intelligence Service;

Deputy Minister of Education and Science;

Deputy Minister of Energy and Energy Resources.

Apart from the permanent members, to take part in the Council's proceedings may be invited also representatives of other agencies, which are vested with voting power on issues within their competences.

The Inter-agency Commission for Export Control and Non-proliferation of Weapons of Mass Destruction with the Minister of Economy has the following functions:

- Grants or refuses authorization for:

- foreign trade transactions in arms and dual-use goods and technologies;

- transit of arms through the territory of the Republic of Bulgaria;

- transit of radioactive, explosive, flammable, oxidizing, corrosive, bacteriological (biological), toxic, and pathogenic goods through the territory of the Republic of Bulgaria, which are included in the List of Arms and Potential Dual-Use Goods and Technologies;

- foreign trade transactions in toxic chemicals and their precursors, listed in the Annexes to the Law on Prohibition of Chemical Weapons and Control of Toxic Chemicals and their Precursors;

- informs the Ministry of Interior and the Central Customs Directorate of the National Customs Agency about the issued, or extended permissions and authorizations;

- submits to the Council of Ministers Annual Report on the Implementation of the Law on Prohibition of Chemical Weapons and Control of Toxic Chemicals and their Precursors;

- submits to the Council of Ministers drafts for Decree on Updating the List of Arms and Potential Dual-Use Goods and Technologies;

- coordinates the work and controls the implementation of the Convention on Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, and performs controlling and licensing functions under the Law on Prohibition of Chemical Weapons and Control of Toxic Chemicals and their Precursors;

- makes proposals to the Council of Ministers for introduction of restrictions and imposition of bans on dual-use goods and technologies covered under Article 4, Paragraph 1, Item 2 of this law.

The Inter-agency Commission consists of Chairman and members, assisted by a secretary and a minute taker. The Minister of Economy is Chairman of the Inter-agency Commission. Members of the Inter-agency Commission are representatives of the Ministry of Economy, Ministry of Interior, Ministry of Foreign Affairs, and Ministry of Defense.

1.21 The CTC is aware that the Republic of Bulgaria may have covered some or all of the points in the preceding paragraphs in reports or questionnaires submitted to other organizations involved in monitoring international standards. The CTC would be content to receive a copy of any such report or questionnaire as part of efforts to implement international best practices, codes and standards which are relevant to the implementation of Resolution 1373.

The above mentioned reports and questionnaires submitted by Bulgaria on counter-terrorism activities under other international monitoring mechanisms will be conveyed to CTC in due time, after the completion of the on-going work on their identification and compilation.

April 2004